

# FISCAL NOTE

**Bill #:** SB0505

**Title:** Authorize city or town to impose a local option motor fuel excise tax

**Primary Sponsor:** Larson, L

**Status:** As Introduced

Sponsor signature

Date

David Ewer, Budget Director

Date

## Fiscal Summary

|  | <b><u>FY 2006<br/>Difference</u></b> | <b><u>FY 2007<br/>Difference</u></b> |
|--|--------------------------------------|--------------------------------------|
| <b>Expenditures:</b>                       |                                      |                                      |
| General Fund                               | \$0                                  | \$0                                  |
| State Special Revenue                      | \$50,000                             | \$0                                  |
| <b>Revenue:</b>                            |                                      |                                      |
| General Fund                               | \$0                                  | \$0                                  |
| State Special Revenue                      | \$0                                  | \$0                                  |
| <b>Net Impact on General Fund Balance:</b> | \$0                                  | \$0                                  |

|  |  |
|--|--|
| <input checked="" type="checkbox"/> Significant Local Gov. Impact    | <input checked="" type="checkbox"/> Technical Concerns           |
| <input checked="" type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           |
| <input type="checkbox"/> Dedicated Revenue Form Attached             | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

## Fiscal Analysis

### ASSUMPTIONS:

1. This bill extends the authority to impose a local option motor fuel excise tax to cities and towns. The Department of Transportation would administer and collect the tax.
2. The Department of Transportation does not have a means to collect and track the collection of a local option gas tax. The Executive Budget includes a request for \$50,000 state special revenue to modify the department fuel tax administration system to incorporate a local option tax.

### FISCAL IMPACT:

|                                     | <b><u>FY 2006<br/>Difference</u></b> | <b><u>FY 2007<br/>Difference</u></b> |
|-------------------------------------|--------------------------------------|--------------------------------------|
| <b>Department of Transportation</b> |                                      |                                      |
| <b><u>Expenditures:</u></b>         |                                      |                                      |
| Operating Expenses                  | \$50,000                             | \$0                                  |

## **Fiscal Note Request SB0505, As Introduced**

(continued)

### Funding of Expenditures:

|                            |          |     |
|----------------------------|----------|-----|
| State Special Revenue (02) | \$50,000 | \$0 |
|----------------------------|----------|-----|

### Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

|                            |            |     |
|----------------------------|------------|-----|
| State Special Revenue (02) | (\$50,000) | \$0 |
|----------------------------|------------|-----|

### EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

There would be no effect on local governments until a local option gas tax is passed and implemented by a municipality. At present, data is not available to estimate precisely the revenue generated by a 1 cent or 2 cent per gallon gasoline tax for any Montana community.

### TECHNICAL NOTES:

1. SB 222 amends the same sections of code. If both bills were to pass, coordinating language would be needed.